

ABSTRACT

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a1 } A system and a method of operating a debit card reward program is disclosed that
generates a reward for the cardholder based upon purchases made with the debit card. This
reward amount may be applied to subsequent purchases made by the cardholder with the debit
card. Additionally, all or a portion of the reward amount may be delivered to a sponsor, such as
a charitable institution. In accord with the invention, the cardholder is issued the debit card in
conjunction with opening a financial account. This card may be used as a traditional debit card
to make purchases, withdraw cash from an ATM, get cash back at point of sale, and so on. The
debit card of the invention is used in conjunction with existing transaction networks that support
on-line and off-line debit transactions and with all merchants who are capable of accepting
payments from consumers using a debit card. A reward is accrued for every purchase conducted
at any merchant made using the debit card. In particular, this reward is a percentage of every
debit card purchase. An additional reward is accrued for purchases of selected goods at one or
more selected merchant or for purchases that meet selected criteria. A higher percentage of the
debit card purchases of these selected goods is accrued as the reward. The total rewards may be
enjoyed by the cardholder by purchasing goods at a future visit to the selected merchant. In
particular, when the cardholder makes a purchase, the financial account is debited for the full
value of the purchase. A reward is then credited to the financial account (up to an amount equal
to the value of the purchase but not exceeding the value of the debit card holder's accrued
reward), effectively providing a rebate on the purchase.